

ESTIMATED REVENUE EFFECTS OF H.R. 4242 AS PASSED BY THE HOUSE

AND H.J. RES. 266 AS APPROVED BY THE SENATE ON JULY 27, 1981,

FISCAL YEARS 1981--1986

JCX-21-81

Prepared by the Staff of
the Joint Committee on Taxation
July 31, 1981

COMPARISON OF THE REVENUE EFFECTS OF THE HOUSE AND SENATE VERSIONS OF H.R. 4242
(millions of dollars)

SUMMARY BY TITLE	FISCAL YEARS					
	1981	1982	1983	1984	1985	1986
TITLE I -- Individual Tax Provisions						
HOUSE BILL.....	-51	-27,104	-71,115	-114,639	-147,985	-196,049
SENATE AMENDMENT.....	-39	-26,914	-71,173	-114,854	-148,908	-196,207
TITLE II -- Business Tax Provisions						
HOUSE BILL.....	-1,610	-10,978	-19,342	-29,267	-40,169	-55,384
SENATE AMENDMENT.....	-1,517	-10,262	-17,966	-27,309	-38,089	-53,549
TITLE III -- Savings Incentive Provisions						
HOUSE BILL.....	--	-355	-1,955	-3,831	-4,282	-6,435
SENATE AMENDMENT.....	--	-115	-1,235	-4,633	-6,739	-8,014
TITLE IV -- Oil and Energy Tax Provisions						
HOUSE BILL.....	-97	-1,725	-2,472	-3,205	-4,174	-5,235
SENATE AMENDMENT.....	--	-924	-930	-1,111	-1,468	-2,136
TITLE V -- Estate and Gift Tax Provisions						
HOUSE BILL.....	--	-222	-2,156	-3,268	-4,310	-5,635
SENATE AMENDMENT.....	--	-137	-1,844	-2,742	-3,833	-4,975
TITLE VI -- Tax Straddle Provisions						
HOUSE BILL.....	100	940	--	--	--	--
SENATE AMENDMENT.....	37	623	327	273	249	229

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SUMMARY BY TITLE	FISCAL YEARS					
	1981	1982	1983	1984	1985	1986
TITLE VII -- Administrative Provisions						
HOUSE BILL.....	--	3,025	1,262	941	578	640
SENATE AMENDMENT.....	--	614	1,522	1,190	201	-142
TITLE VIII -- Miscellaneous Provisions						
HOUSE BILL.....	--	-25	-31	-25	-50	-63
SENATE AMENDMENT.....	-1	-601	275	586	90	-298
TOTAL, ALL TITLES						
HOUSE BILL.....	-1,658	-36,424	-95,809	-153,294	-200,392	-268,161
SENATE AMENDMENT.....	-1,520	-37,716	-91,024	-148,600	-198,497	-265,092

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ITEM	FISCAL YEARS					
	1981	1982	1983	1984	1985	1986
1 a-c. General rate reductions-						
HOUSE BILL.....	-39	-26,148	-65,703	-104,512	-122,652	-143,832
SENATE AMENDMENT.....				Same as House bill		
1 d. Holding period for capital gains						
HOUSE BILL.....	-12	-194	-208	-222	-242	-262
SENATE AMENDMENT.....			No Provision			
2. Deduction for two-earner married couples						
HOUSE BILL.....	--	-419	-4,418	-9,090	-10,973	-12,624
SENATE AMENDMENT.....			Same as House bill			
3. Indexing						
HOUSE BILL.....	--	--	--	--	-12,941	-35,848
SENATE AMENDMENT.....			Same as House bill			
4. Individuals eligible for earned income credit						
HOUSE BILL.....			No Provision			
SENATE AMENDMENT.....	--	(2)	(2)	(2)	(2)	(2)
5. Child and dependent care credit and dependent care assistance exclusion						
HOUSE BILL.....			No Provision			
SENATE AMENDMENT.....	--	-21	-338	-400	-477	-549

See footnotes at the end of the table.

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ITEM	FISCAL YEARS					
	1981	1982	1983	1984	1985	1986
6. Charitable contribution deduction for nonitemizers						
HOUSE BILL.....	--	-26	-189	-189	-483	-2,696
SENATE AMENDMENT.....	--	-26	-189	-313	-1,277	-2,696
7 a. Rollover of gain on sale of residence						
HOUSE BILL.....	(3)	(3)	(3)	(3)	(3)	(3)
SENATE AMENDMENT.....			No Provision			
7 b. Exclusion of gain on sale of residence						
HOUSE BILL.....	(4)	-18	-53	-63	-76	-91
SENATE AMENDMENT.....			No Provision			
7 c. Sale of residence by handicapped individual						
HOUSE BILL.....						
SENATE AMENDMENT.....	(4)	-12	-11	-12	-13	-15
8. Foreign earned income						
HOUSE BILL.....	--	-299	-544	-563	-618	-696
SENATE AMENDMENT.....	--	-277	-503	-515	-562	-629
9 - 23. Capital cost recovery provisions						
HOUSE BILL.....	-1,565	-9,950	-17,387	-26,984	-38,051	-53,621
SENATE AMENDMENT.....	-1,467	-9,279	-16,335	-25,473	-36,226	-51,687

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ITEM	FISCAL YEARS					
	1981	1982	1983	1984	1985	1986
24. Tax credit for rehabilitation expenditures						
HOUSE BILL.....	--	-69	-170	-195	-253	-354
SENATE AMENDMENT.....		Same as House bill				
25. Demolition of historic structures						
HOUSE BILL.....	--	1/	1/	1/	1/	1/
SENATE AMENDMENT.....		Same as House bill				
26. Tax credit for research and experimentation						
HOUSE BILL.....	--	-448	-708	-858	-847	-485
SENATE AMENDMENT.....	--	-387	-618	-762	-767	-725
27. Charitable contributions of newly manufactured equipment to universities for research						
HOUSE BILL.....	2/	2/	2/	2/	2/	2/
SENATE AMENDMENT.....		Same as House bill				
28. Rule for allocating R&D expenditures to U.S.-source income						
HOUSE BILL.....	--	-56	-109	-111	-109	-111
SENATE AMENDMENT.....	--	-56	-55	1/	--	--

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ITEM	FISCAL YEARS					
	1981	1982	1983	1984	1985	1986
29. Accumulated earnings credit						
HOUSE BILL.....	--	2/	-33	-36	-40	-44
SENATE AMENDMENT.....		Same as House bill				
30. Subchapter S corporations						
HOUSE BILL.....	--	2/	2/	2/	2/	2/
SENATE AMENDMENT.....		Same as House bill				
31. LIFO inventory and small business accounting						
HOUSE BILL.....	--	-68	-184	-192	-145	-64
SENATE AMENDMENT.....		Same as House bill				
32. Windfall profit tax provisions						
a. Royalty owner's credit and exemption						
HOUSE BILL.....	--	-1,220	-947	-986	-1,313	-1,439
SENATE AMENDMENT.....	--	-824	-660	-576	-586	-593
b. Producers exemption						
HOUSE BILL.....	--	--	-525	-721	-762	-797
SENATE AMENDMENT.....		No provision				
c. Reduced rate on newly discovered oil						
HOUSE BILL.....	--	-75	-255	-520	-867	-1,528
SENATE AMENDMENT.....	--	Same as House bill				

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ITEM	FISCAL YEARS					
	1981	1982	1983	1984	1985	1986
32. Windfall profit tax provisions (contd.)						
d. Qualified charities						
HOUSE BILL.....	--	-25	-15	-15	-15	-15
SENATE AMENDMENT.....		Same as House bill				
33. Percentage depletion for oil and gas						
HOUSE BILL.....	-97	-329	-602	-827	-1,075	-1,329
SENATE AMENDMENT.....		No provision				
34. Tax credit for woodburning stoves						
HOUSE BILL.....	--	-76	-128	-136	-142	-127
SENATE AMENDMENT.....		No provision				
35. Production credit for certain gases						
HOUSE BILL.....		No provision				
SENATE AMENDMENT.....	--	--	--	--	--	--
36. Corporate tax rate reductions						
HOUSE BILL.....	--	-116	-364	-519	-563	-608
SENATE AMENDMENT.....		Same as House bill				
37. Stock options						
HOUSE BILL.....	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>	11	21
SENATE AMENDMENT.....	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>	11	21

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ITEM	FISCAL YEARS					
	1981	1982	1983	1984	1985	1986
38. Extension and modification of targeted jobs tax credit						
HOUSE BILL.....	--	-89	-242	-216	19	98
SENATE AMENDMENT.....	--	-80	-33	45	110	156
39. Motor carrier operating rights						
HOUSE BILL.....	-21	-121	-71	-71	-54	-18
SENATE AMENDMENT.....		Same as House bill				

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ITEM	FISCAL YEARS					
	1981	1982	1983	1984	1985	1986
40. Self-employed retirement savings (Keogh plans)						
HOUSE BILL.....	--	-56	-157	-173	-183	-201
SENATE AMENDMENT.....		Same as	House	bill		
41. Individual retirement accounts						
a. Individuals not participating in qualified plans, etc.						
HOUSE BILL.....	--	-89	-236	-239	-258	-289
SENATE AMENDMENT.....		Same as	House	Bill		
B. Active participants						
HOUSE BILL.....	--	-140	-1,103	-1,610	-2,067	-2,293
SENATE AMENDMENT.....	--	-112	-882	-1,281	-1,639	-1,835
42. Partial dividend and interest exclusion						
HOUSE BILL.....	--	556	1,916	--	-1,056	-2,939
SENATE AMENDMENT.....	--	556	1,916	-951	-2,640	-2,939
43. Tax-exempt savings certificates						
HOUSE BILL.....	--	-398	-1,791	-1,142	--	--
SENATE AMENDMENT.....		Same as	House	bill		
44. Employee stock ownership plans (ESOPs)						
HOUSE BILL.....		No	provision			
SENATE AMENDMENT.....	--	--	-61	-821	-2,011	-2,750

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ITEM	FISCAL YEARS					
	1981	1982	1983	1984	1985	1986
45. Dividend reinvestment plans						
HOUSE BILL.....	--	-208	-584	-667	-718	-713
SENATE AMENDMENT.....			No provision			
46. Qualified group legal services						
HOUSE BILL.....			No provision			
SENATE AMENDMENT.....	--	-16	-24	-26	-8	--

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ITEM	FISCAL YEARS					
	1981	1982	1983	1984	1985	1986
47. Unified credit	(Millions of dollars)					
HOUSE BILL.....	--	(2)	-1077	-1981	-2811	-3834
SENATE AMENDMENT.....	--	(2)	-1077	-1981	-3084	-4241
48. Rate reduction						
HOUSE BILL.....	--	(2)	-172	-371	-556	-890
SENATE AMENDMENT.....			No provision			
49. Marital deduction						
HOUSE BILL.....	--	(2)	-303	-304	-311	-300
SENATE AMENDMENT.....	--	(2)	-309	-307	-300	-292
50. Current use valuation						
HOUSE BILL.....	--	-36	-322	-345	-388	-386
SENATE AMENDMENT.....	--	(2)	-140	-149	-161	-174
51. Transfers within 3 years of death						
HOUSE BILL.....	--	(2)	-58	-50	-42	-38
SENATE AMENDMENT.....	--	(2)	-65	-58	-50	-44
52. Time for payment of estate tax attributable to closely held businesses						
HOUSE BILL.....	--	(2)	-20	-16	-15	-12
SENATE AMENDMENT.....	--	(2)	-26	-24	-22	-19

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ITEM	FISCAL YEARS					
	1981	1982	1983	1984	1985	1986
	(Millions of Dollars)					
56. Certain bequests, etc. to minor children						
HOUSE BILL.....	--	(2)	(2)	(2)	(2)	(2)
SENATE AMENDMENT.....			No provision			
57. Generation-skipping transfer tax						
HOUSE BILL.....			No provision			
SENATE AMENDMENT.....	--	(2)	(2)	(2)	(2)	(2)
58. Annual gift tax exclusion						
HOUSE BILL.....	--	-123	-204	-201	-187	-175
SENATE AMENDMENT.....	--	-137	-227	-223	-216	-205
59. Annual payment of gift tax						
HOUSE BILL.....	--	-63	(2)	(2)	(2)	(2)
SENATE AMENDMENT.....			No provision			
60. Gains or losses on straddles						
HOUSE BILL.....	100	940	--	--	--	--
SENATE AMENDMENT.....	37	623	327	273	249	229

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ITEM	FISCAL YEARS					
	1981	1982	1983	1984	1985	1986
67. Interest on deficiencies and overpayments						
HOUSE BILL.....	-	100	(2)	100	-100	60
SENATE AMENDMENT.....		No provision				
68. Penalty for false withholding allowance certificate						
HOUSE BILL.....	-	(4)	(4)	(4)	(4)	(4)
SENATE AMENDMENT.....		No provision				
69. Penalty for failure to file information returns						
HOUSE BILL.....	-	(4)	(4)	(4)	(4)	(4)
SENATE AMENDMENT.....		No provision				
70. Penalty for overstated tax deposits						
HOUSE BILL.....	-	(4)	(4)	(4)	(4)	(4)
SENATE AMENDMENT.....		No provision				
71. Penalty for valuation overstatements						
HOUSE BILL.....	-	(4)	(4)	(4)	(4)	(4)
SENATE AMENDMENT.....		Same as House bill				
72. Addition to negligence penalty						
HOUSE BILL.....	-	(4)	(4)	(4)	(4)	(4)
SENATE AMENDMENT.....		No provision				

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ITEM	FISCAL YEARS						
	1981	1982	1983	1984	1985	1986	
73. Disclosure of returns and return information for purposes not relating to tax administration.							
HOUSE BILL.....	--	--	--	No provision	--	--	
SENATE AMENDMENT.....				--	--	--	
74. Confidentiality of certain IRS information							
HOUSE BILL.....	--	--	--	--	--	--	
SENATE AMENDMENT.....				No provision			
75. Tax Court filing fee							
HOUSE BILL.....	--	(4)	(4)	(4)	(4)	(4)	
SENATE AMENDMENT.....				No provision			
76. Cash management: Corporate estimated tax payments							
HOUSE BILL.....	--	2,457	736	275	61	-94	
SENATE AMENDMENT.....	--	614	1,522	1,190	201	-142	
77. Declaration and payment of estimated taxes by individuals							
HOUSE BILL.....	--	-44	-29	-38	-40	-38	
SENATE AMENDMENT.....				No provision			
78. Railroad retirement taxes							
HOUSE BILL.....	--	512	555	604	657	712	
SENATE AMENDMENT.....				No provision			

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ITEM	FISCAL YEARS					
	1981	1982	1983	1984	1985	1986
79. State legislators' travel expenses						
HOUSE BILL.....	--	-11	+5	-6	-6	-7
SENATE AMENDMENT.....		-6	-5	-6	-6	-7
80. Fringe benefit regulations						
HOUSE BILL.....	--	--	--	--	--	--
SENATE AMENDMENT.....	--	--	--	--	--	--
81. Commuting expense regulations						
HOUSE BILL.....	--	--	--	--	--	--
SENATE AMENDMENT.....		No provision				
82. Campaign funds						
HOUSE BILL.....		No provision				
SENATE AMENDMENT.....	(2)	(2)	(2)	(2)	(2)	(2)
83. Tax-exempt bonds for mass transit						
HOUSE BILL.....	--	(1)	-7	-29	-54	-64
SENATE AMENDMENT.....		No provision				
84. Tax-exempt bonds for volunteer fire departments						
HOUSE BILL.....	(1)	(1)	(1)	(1)	(1)	(1)
SENATE AMENDMENT.....	(1)	(1)	(1)	(1)	(1)	(1)

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ITEM	FISCAL YEARS					
	1981	1982	1983	1984	1985	1986
85. Modification of foreign investment company provisions						
HOUSE BILL.....			No provision			
SENATE AMENDMENT.....	--	(2)	(2)	(2)	(2)	(2)
86. Charitable contributions by corporations						
HOUSE BILL.....			No provision			
SENATE AMENDMENT.....	--	-44	-93	-102	-112	-123
87. Unemployment tax status for certain fishing boat services						
HOUSE BILL.....		-2	No provision	-1	-1	-1
SENATE AMENDMENT.....	--		-1	-1		
88. Tax credit for planting certain pecan trees						
HOUSE BILL.....		(1)	No provision			
SENATE AMENDMENT.....	(1)	(1)	(1)	(1)	(1)	(1)
89. Mortgage subsidy bonds for State of Oregon						
HOUSE BILL.....			No provision			
SENATE AMENDMENT.....	--	-2	-3	-3	-3	-3
90. 2-year extension of telephone excise tax at 1 percent						
HOUSE BILL.....			No provision			
SENATE AMENDMENT.....	--	--	435	766	309	--

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ITEM	FISCAL YEARS					
	1981	1982	1983	1984	1985	1986
91. Exemption from firearms excise tax for small producers						
HOUSE BILL.....			No provision			
SENATE AMENDMENT.....	(2)	(2)	(2)	(2)	(2)	(2)

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ITEM	FISCAL YEARS					
	1981	1982	1983	1984	1985	1986
92. Amortization of construction period taxes and interest						
HOUSE BILL.....	--	-14	-19	10	10	8
SENATE AMENDMENT.....	--	-14	-34	-34	-52	-111
93. Amortization of low-income housing rehabilitation expenditures						
HOUSE BILL.....			No provision			
SENATE AMENDMENT.....	-1	-8	-16	-25	-35	-39
94. Investment credit for theatrical productions and TV game shows						
HOUSE BILL.....			No provision			
SENATE AMENDMENT.....	-2	-10	-10	-11	-12	-14
95. Foreign investment in U.S. real property						
HOUSE BILL.....			No provision			
SENATE AMENDMENT.....	--	73	7	8	9	9
96. Payout requirements of private foundations						
HOUSE BILL.....			No provision			
SENATE AMENDMENT.....	(2)	(2)	(2)	(2)	(2)	(2)
97. Imputed interest rates on installment sales						
HOUSE BILL.....			No provision			
SENATE AMENDMENT.....	(2)	(2)	(2)	(2)	(2)	(2)
HOUSE BILL.....			No provision			
SENATE AMENDMENT.....	(2)	(2)	(2)	(2)	(2)	(2)

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ITEM	FISCAL YEARS					
	1981	1982	1983	1984	1985	1986
98. Bad debt deduction of commercial banks						
HOUSE BILL.....			No provision			
SENATE AMENDMENT.....	--	-15	-15	--	--	--
99. Home heating oil credit						
HOUSE BILL.....			No provision			
SENATE AMENDMENT.....	--	-586	--	--	--	--
100. Deduction for gifts and awards						
HOUSE BILL.....			No provision			
SENATE AMENDMENT.....	--	-4	-5	-6	-7	-9
101. Reorganizations involving financially troubled thrift institutions <u>5/</u>						
HOUSE BILL.....	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>
SENATE AMENDMENT.....		Same as House bill				
102. Tax treatment of mutual savings banks which convert to stock associations						
HOUSE BILL.....			No provision			
SENATE AMENDMENT.....	-5	-10	-12	-18	-22	-25
103. Restricted property						
HOUSE BILL.....			Not available			
SENATE AMENDMENT.....			No provision			

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ITEM	FISCAL YEARS					
	1981	1982	1983	1984	1985	1986
104. Deduction for certain adoption expenses						
HOUSE BILL.....			No provision			
SENATE AMENDMENT.....	--	-11	-11	-12	-13	-14

See footnotes at the end of the tables.

FOOTNOTES

1. Loss of less than \$1 million.
2. Loss of less than \$5 million.
3. Loss of less than \$10 million.
4. Negligible.
5. This estimate is based on limited information about reorganizations that were planned even without this provision. If such reorganizations would have increased markedly without this provision, the revenue loss could be substantial.